



Kurita Water Industries Ltd.

Results Presentation for the First Quarter of the Fiscal Year Ending March 31, 2023

(Securities code: 6370)

August 1, 2022

1	Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2023	p 1 - 9
2	Revision to Forecast for the Fiscal Year Ending March 31, 2023	p10-14

1 Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2023

Overview of Results



(Billions of Yen)		1Q of FY ended 03/2022	1Q of FY ending 03/2023	YoY Change	1H Current Forecast	YoY Change
Orders		77.6	100.1	+29.0%	178.0	+20.4%
Net Sales		63.2	74.7	+18.1%	160.5	+18.7%
Business Profit		5.9	6.3	+7.6%	17.3	+16.2%
Net of Other Income and Expenses		(0.1)	+0.1	—	(0.7)	—
Operating Profit		5.8	6.4	+9.7%	16.6	+12.6%
Profit Before Tax		5.6	7.3	+30.1%	16.6	+48.7%
Profit Attributable to Owners of Parent		3.7	4.9	+30.1%	11.2	+96.3%
Basic Earnings per Share (yen)		33.29	43.29	+30.1%	99.66	+96.3%
Foreign Exchange Rate	USD (yen)	109.5	129.6			
	EUR (yen)	132.0	138.1			
	CNY (yen)	17.0	19.6			

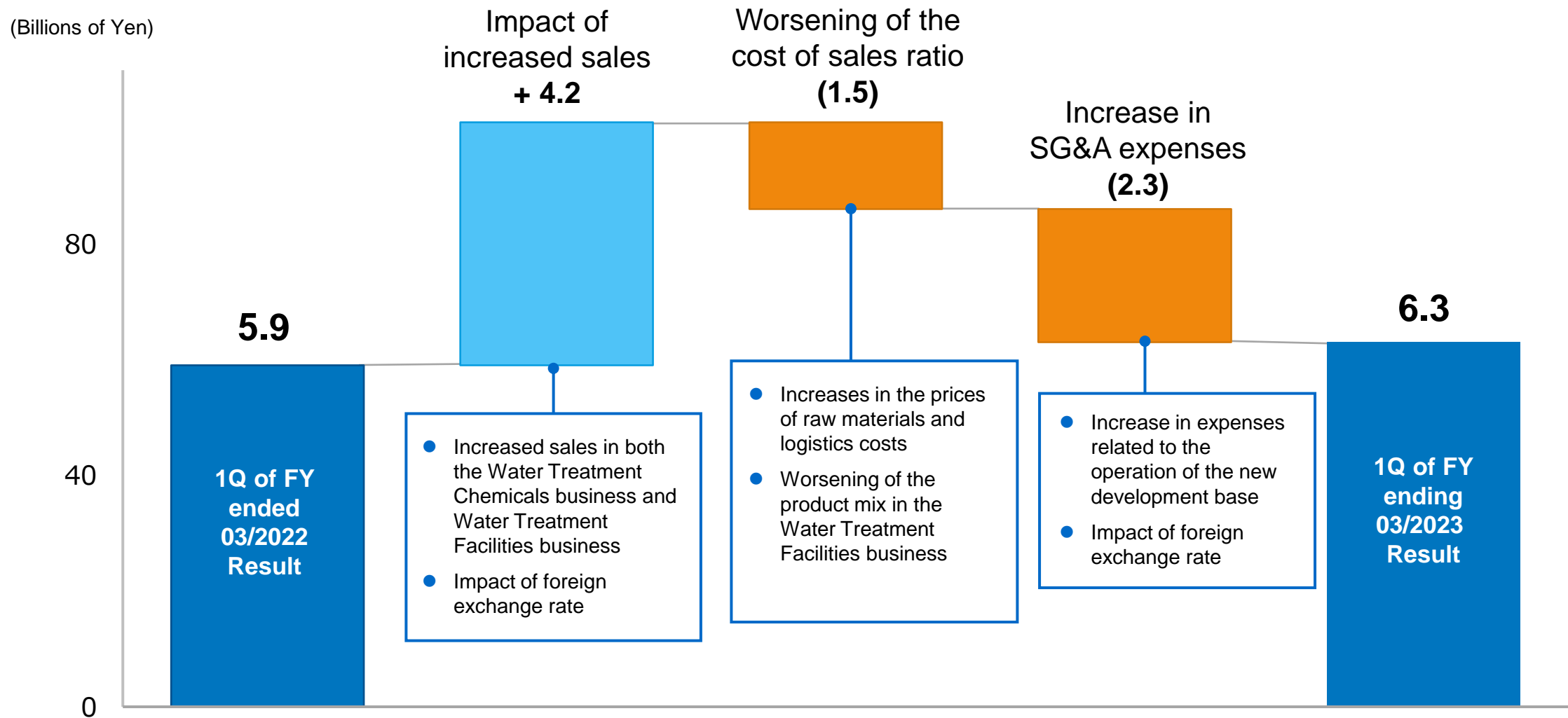
- The acquisition of additional shares in Pentagon Technologies Group and making it a wholly owned subsidiary took place at the end of June as planned. Due to the forward exchange contracts executed in connection with this, a 1.1 billion yen gain on derivative transactions was recorded as finance income.

Results by Segment

(Billions of Yen)		1Q of FY ended 03/2022	1Q of FY ending 03/2023	YoY Change	1H Current Forecast
Total	Orders	77.6	100.1	+22.5	178.0
	Net Sales	63.2	74.7	+11.5	160.5
	Business Profit	5.9	6.3	+0.4	17.3
	Business Profit Margin	9.3%	8.5%	(0.8pp)	10.8%
	Operating Profit	5.8	6.4	+0.6	16.6
Water Treatment Chemicals	Orders	29.2	33.7	+4.5	68.2
	Net Sales	27.9	32.5	+4.6	67.5
	Business Profit	3.2	3.4	+0.2	8.1
	Business Profit Margin	11.6%	10.6%	(1.0pp)	12.0%
	Operating Profit	3.2	3.6	+0.4	7.8
Water Treatment Facilities	Orders	48.4	66.4	+18.0	109.8
	Net Sales	35.3	42.2	+6.9	93.0
	Business Profit	2.7	2.9	+0.2	9.2
	Business Profit Margin	7.5%	6.9%	(0.7pp)	9.9%
	Operating Profit	2.6	2.7	+0.1	8.8

- Net sales in the Water Treatment Chemicals business increased chiefly overseas, while business profit increased only slightly due to higher raw material prices and logistics costs.
- Orders in the Water Treatment Facilities business increased due to the increases in orders for facilities and maintenance in Japan and overseas.
- Net sales in the Water Treatment Facilities business increased chiefly for facilities in Japan and overseas and ultrapure water supply business.
- Business profit in the Water Treatment Facilities business rose, with an increase in SG&A expenses and a worsening in the cost of sales ratio more than offset by an increase in net sales.

Factors in Change in Business Profit (YoY Change)



Water Treatment Chemicals



(Billions of Yen)	1Q of FY ended 03/2022	1Q of FY ending 03/2023	YoY Change	1H Current Forecast
Orders	29.2	33.7	+4.5	68.2
Domestic	11.6	11.5	(0.1)	23.0
Overseas	17.7	22.2	+4.5	45.2
Net Sales	27.9	32.5	+4.6	67.5
Domestic	10.2	10.4	+0.2	22.4
Overseas	17.7	22.1	+4.4	45.1
Business Profit	3.2	3.4	+0.2	8.1
Business Profit Margin	11.6%	10.6%	(1.0pp)	12.0%
Operating Profit	3.2	3.6	+0.4	7.8

- In Japan, due to the continued impact of COVID-19 and shortages of semiconductors in certain industries, net sales were almost unchanged from the same period of the previous fiscal year.
- Overseas, net sales increased due to revisions to sales prices, acquisition of new customers, and an impact of foreign exchange rate.
- Business profit increased. This is because the impact of increased sales outweighed the impact of the worsening in the cost of sales ratio due to higher raw material prices and logistics costs.

Overseas Net Sales by Region

(Billions of Yen)	1Q of FY ended 03/2022	1Q of FY ending 03/2023	YoY Change	1H Current Forecast
Asia	6.3	7.5	+1.2	15.2
North & South America	5.5	7.6	+2.1	16.2
EMEA	5.9	6.9	+1.0	13.8
Total	17.7	22.1	+4.4	45.1

Factors in Change (Billions of Yen)

Organic Change	+2.2
Impact of Foreign Exchange Rate	+2.3

Water Treatment Facilities (for the domestic electronics industry)

(Billions of Yen)	1Q of FY ended 03/2022	1Q of FY ending 03/2023	YoY Change	1H Current Forecast
Orders	15.4	20.0	+4.7	36.2
Facilities	0.9	2.4	+1.5	5.4
Maintenance	4.9	6.4	+1.6	8.5
Ultrapure Water Supply Business	7.3	8.9	+1.6	17.3
Tool Cleaning	2.4	2.3	(0.0)	5.1
Net Sales	14.2	16.7	+2.5	34.1
Facilities	1.0	1.5	+0.5	3.3
Maintenance	3.5	4.0	+0.4	8.4
Ultrapure Water Supply Business	7.3	8.9	+1.6	17.3
Tool Cleaning	2.4	2.3	(0.1)	5.1

- Orders for facilities increased due to orders for large projects, and net sales also increased due to construction progress for large projects.
- Orders and net sales for maintenance increased due to the expansion of facilities and consumables replacement against a backdrop of firm capacity utilization at customers' plants.
- In the ultrapure water supply business, both orders and net sales increased due to the increase in water supply projects.
- Orders and net sales for tool cleaning are almost the same as the same period of the previous fiscal year due to the impact of the period of shutdown of certain customers' plants.

Water Treatment Facilities (for domestic general industries)



(Billions of Yen)	1Q of FY ended 03/2022	1Q of FY ending 03/2023	YoY Change	1H Current Forecast
Orders	17.1	19.0	+1.9	28.8
Energy and Infrastructure	15.5	17.5	+2.0	25.2
Soil Remediation	0.9	1.0	+0.2	2.3
Other	0.8	0.5	(0.3)	1.2
Net Sales	10.8	9.8	(1.0)	23.6
Energy and Infrastructure	9.2	8.2	(1.0)	19.7
Soil Remediation	0.8	1.0	+0.2	2.6
Other	0.7	0.5	(0.2)	1.2

- Orders for energy and infrastructure increased due to a recovery in demand for maintenance for general industries and recording of large projects for facilities for general industries.
- Net sales for energy and infrastructure declined due to sales running its courses in facilities for the electric power industry and the absence of sales of large projects for engineering cleaning posted in the same period of the previous fiscal year.
- In soil remediation, orders increased due to the acquisition of small and medium-sized projects, and net sales increased due to progress of ordered projects.

Water Treatment Facilities (Overseas)

(Billions of Yen)	1Q of FY ended 03/2022	1Q of FY ending 03/2023	YoY Change	1H Current Forecast
Orders	15.9	27.4	+11.5	44.8
Facilities	7.0	14.0	+6.9	21.9
Maintenance	4.6	7.9	+3.3	11.6
Ultrapure Water Supply Business	0.8	0.9	+0.1	1.7
Tool Cleaning	3.4	4.6	+1.2	9.7
Net Sales	10.4	15.7	+5.4	35.3
Facilities	3.4	7.0	+3.7	15.4
Maintenance	2.7	3.2	+0.5	8.7
Ultrapure Water Supply Business	0.8	0.9	+0.1	1.7
Tool Cleaning	3.4	4.6	+1.2	9.7

- In China, orders increased due to orders for large projects. Net sales declined due to construction delays caused by the regional lockdowns under the spread of COVID-19.
- Orders for South Korea increased due to orders for large projects. Net sales increased due to the recording sales of ordered projects.
- Orders for Taiwan increased, but net sales were unchanged.
- In North America, net sales for tool cleaning business increased.

Overseas Net Sales by Region

(Billions of Yen)	1Q of FY ended 03/2022	1Q of FY ending 03/2023	YoY Change	1H Current Forecast
Asia	5.4	8.9	+3.6	20.5
North & South America	5.0	6.8	+1.8	14.8
Total	10.4	15.7	+5.4	35.3

Factors in Change (Billions of Yen)

Organic Change	+3.6
Impact of Foreign Exchange Rate	+1.7

Breakdown of Service Business Sales

(Billions of Yen)	1Q of FY ended 03/2022	1Q of FY ending 03/2023	YoY Change	1H Current Forecast
Water Treatment Chemicals	27.9	32.5	+4.6	67.5
Water Treatment Facilities	29.3	32.8	+3.5	72.1
Ultrapure Water Supply Business	8.1	9.7	+1.7	18.9
Domestic Tool Cleaning	2.4	2.3	(0.1)	5.1
Overseas Tool Cleaning	3.4	4.6	+1.2	9.7
Soil Remediation	0.8	1.0	+0.2	2.6
Domestic Maintenance	11.3	11.4	+0.0	25.9
Overseas Maintenance	2.7	3.2	+0.5	8.7
Other	0.6	0.5	(0.1)	1.2
Total	57.2	65.3	+8.0	139.6

- Service business achieved an increase in sales due to the increases in Water Treatment Chemicals business, tool cleaning, and the ultrapure water supply business.

Capital Expenditures, Depreciation and R&D Expenses

(Billions of Yen)	1Q of FY ended 03/2022	1Q of FY ending 03/2023	YoY Change	FY ending 03/2023 (Forecast)
Capital Expenditures (Property, Plant and Equipment*)	13.1	10.9	(2.2)	53.7
Water Treatment Chemicals	2.9	1.5	(1.4)	—
Water Treatment Facilities	10.1	9.4	(0.7)	—
Depreciation (Property, Plant and Equipment*)	4.8	5.9	+1.1	23.5
Water Treatment Chemicals	1.2	1.1	(0.1)	4.4
Water Treatment Facilities	3.6	4.8	+1.1	19.1
R&D Expenses	1.2	1.5	+0.2	5.8
Water Treatment Chemicals	0.4	0.4	+0.0	1.7
Water Treatment Facilities	0.8	1.0	+0.2	4.2

- Capital expenditures declined compared to the same period of the previous fiscal year due to the absence of investments related to new development bases, while those for the ultrapure water supply business increased.
- Depreciation increased due to the start of new projects in the ultrapure water supply business and the start of operation of new development bases.
- Capital expenditures, depreciation, and R&D expenses are progressing according to plan.

* Right-of-use assets are included.

2 | Revision to Forecast for the Fiscal Year Ending March 31, 2023

Key Points of the Revised Forecast

- In light of the current rapid depreciation of the yen, the expected exchange rate will be revised.
(Full year: USD 124 yen -> 136 yen, EUR 133 yen -> 140 yen, CNY 19 yen -> 20 yen)
- The impact from orders for overseas facilities won in the first quarter have been reflected.
- The fact that net sales in the overseas Water Treatment Chemicals business have grown more than expected has been reflected.
- In light of the situations such as rising raw material prices and distribution costs, business profit and other figures will remain unchanged from the initial forecast.

(Billions of Yen)	Orders		Net sales	
	1st Half	Full Year	1st Half	Full Year
Change to expected exchange rate	+5.0	+10.5	+4.5	+10.5
Reflecting progress with overseas facilities and chemicals	+9.0	+6.0	+2.5	+2.5
Total	+14.0	+16.5	+7.0	+13.0

Overview of Business Forecast

(Billions of Yen)		1H			Full Year		
		Initial Forecast	Current Forecast	Change	Initial Forecast	Current Forecast	Change
Orders		164.0	178.0	+14.0	320.0	336.5	+16.5
Net Sales		153.5	160.5	+7.0	325.0	338.0	+13.0
Business Profit		17.3	17.3	—	38.0	38.0	—
Other Income and Expenses, Net		(0.7)	(0.7)	—	(1.5)	(1.5)	—
Operating Profit		16.6	16.6	—	36.5	36.5	—
Profit Before Tax		16.6	16.6	—	36.5	36.5	—
Profit Attributable to Owners of Parent		11.2	11.2	—	25.7	25.7	—
Earnings per Share (yen)		99.66	99.66	—	228.69	228.69	—
Foreign Exchange Rate	USD (yen)	124.0	133.0		124.0	136.0	
	EUR (yen)	133.0	139.0		133.0	140.0	
	CNY (yen)	19.0	20.1		19.0	20.0	

- Orders and net sales were revised upward, while business profit and other figures remained unchanged.

Forecasts by Segment

(Billions of Yen)		1H			Full Year		
		Initial Forecast	Current Forecast	Change	Initial Forecast	Current Forecast	Change
Total	Orders	164.0	178.0	+14.0	320.0	336.5	+16.5
	Net Sales	153.5	160.5	+7.0	325.0	338.0	+13.0
	Business Profit	17.3	17.3	—	38.0	38.0	—
	Business Profit Margin	11.3%	10.8%	(0.5pp)	11.7%	11.2%	(0.4pp)
	Operating Profit	16.6	16.6	—	36.5	36.5	—
Water Treatment Chemicals	Orders	64.4	68.2	+3.8	127.0	134.0	+7.0
	Net Sales	63.8	67.5	+3.7	126.5	133.5	+7.0
	Business Profit	8.1	8.1	—	15.1	15.1	—
	Business Profit Margin	12.7%	12.0%	(0.7pp)	11.9%	11.3%	(0.6pp)
	Operating Profit	7.8	7.8	—	14.7	14.7	—
Water Treatment Facilities	Orders	99.6	109.8	+10.2	193.0	202.5	+9.5
	Net Sales	89.7	93.0	+3.3	198.5	204.5	+6.0
	Business Profit	9.2	9.2	—	22.9	22.9	—
	Business Profit Margin	10.3%	9.9%	(0.4pp)	11.5%	11.2%	(0.3pp)
	Operating Profit	8.8	8.8	—	21.8	21.8	—

Water Treatment Chemicals

(Billions of Yen)	1H			Full Year		
	Initial Forecast	Current Forecast	Change	Initial Forecast	Current Forecast	Change
Orders	64.4	68.2	+3.8	127.0	134.0	+7.0
Domestic	23.0	23.0	—	44.8	44.8	—
Overseas	41.4	45.2	+3.8	82.2	89.2	+7.0
Net Sales	63.8	67.5	+3.7	126.5	133.5	+7.0
Domestic	22.4	22.4	—	44.3	44.3	—
Overseas	41.4	45.1	+3.7	82.2	89.2	+7.0

Overseas Net Sales by Region

(Billions of Yen)	1H			Full Year		
	Initial Forecast	Current Forecast	Change	Initial Forecast	Current Forecast	Change
Asia	14.0	15.2	+1.2	28.1	30.3	+2.1
North & South America, etc.	14.0	16.2	+2.1	27.5	31.3	+3.7
EMEA	13.4	13.8	+0.4	26.5	27.6	+1.1
合計	41.4	45.1	+3.7	82.2	89.2	+7.0

Water Treatment Facilities (Overseas)



(Billions of Yen)	1H			Full Year		
	Initial Forecast	Current Forecast	Change	Initial Forecast	Current Forecast	Change
Orders	34.6	44.8	+10.2	63.2	72.7	+9.5
Facilities	13.8	21.9	+8.1	23.9	30.0	+6.1
Maintenance	10.0	11.6	+1.5	16.9	18.7	+1.8
Ultrapure Water Supply Business	1.7	1.7	—	3.3	3.3	—
Tool Cleaning	9.1	9.7	+0.6	19.1	20.8	+1.7
Net Sales	32.0	35.3	+3.3	64.8	70.8	+6.0
Facilities	13.0	15.4	+2.4	26.4	29.2	+2.8
Maintenance	8.3	8.7	+0.3	16.1	17.6	+1.5
Ultrapure Water Supply Business	1.7	1.7	—	3.3	3.3	—
Tool Cleaning	9.1	9.7	+0.6	19.1	20.8	+1.7

Net Sales by Region

(Billions of Yen)	1H			Full Year		
	Initial Forecast	Current Forecast	Change	Initial Forecast	Current Forecast	Change
Asia	18.1	20.5	+2.4	36.3	39.9	+3.6
North & South America, etc.	13.9	14.8	+0.9	28.5	30.9	+2.4
Total	32.0	35.3	+3.3	64.8	70.8	+6.0



Forward-looking Statements

This presentation contains forward-looking statements, business plan projections, and judgments based on information available to management at the time of writing. Due to the existence of a variety of risk factors and uncertainties, actual results may differ from those specified or implied by these forward-looking statements and projections.

The trademarks (products, services, logos) contained in this presentation belong to the Company or right holders that allow the Company to use the trademarks.